GOVERNMENT OF INDIA
CIVIL AVIATION
LOK SABHA

STARRED QUESTION NO:2
ANSWERED ON:23.07.2001
TERMINATION OF SERVICES OF M.D. AIR INDIA .
PRIYA RANJAN DASMUNSI;SUNIL KHAN

Will the Minister of CIVIL AVIATION be pleased to state:

(a) whether the services of the Managing Director of Air India have been terminated a few months back; and

(b) if so, the reasons therefor?

Answer

THE MINISTER OF CIVIL AVIATION (SHRI SHARAD YADAV)

(a) and (b): A Statment is laid on the Table of the House.

STATEMENT TO BE LAID ON THE TABLE OF LOK SABHA IN REPLY TO LOK SABHA STARRED QUESTION NO.2 DATED 23.07.2001

(a) and (b): The services of the Managing Director of Air India have not been terminated but he stands suspended.A report was forwarded by the then acting Chief Vigilance Officer, Air India Ltd. on 18.10.2000 regarding misuse of official position by senior officers of Commercial Department, Air India including Shri M.P.Mascarenhas, Managing Director, Air India by showing undue favours to M/s. Welcome Travels ex-General Sales Agent (GSA), UK. The allegations were inquired into by the Chief Vigilance Officer of the Ministry of Civil Aviation. This inquiry prima facie established that Shri M.P. Mascarenhas, Managing Director, Air India Limited (AIL), in concert with some officers of Air India Ltd. has committed misconduct by, inter-alia, misusing his official position for showing unwarranted favours to M/s Welcome Travels, ex-GSA, UK by restructuring Productivity Linked Incentives (PLI) to the wrongful advantage of the ex-GSA and to the detriment of the interests of AIL for the period 1992-93 and 1997-98, which resulted in wrongful gain to M/s Welcome Travels and corresponding wrongful loss to AIL to the extent of more than Rs.2.79 crores. Since it was apprehended that his continuance in office is likely to hamper a fair and impartial investigation and disciplinary proceedings, Shri Mascarenhas was placed under suspension by the competent authority by order dated 22.5.2001.

2. A detailed report was sent to Central Vigilance Commission (CVC) on 23.5.2001.The CVC have also been requested on 12.6.2001 for first stage advice.

3. A reference in this regard was made to Central Bureau of Investigation on 22.5.2001 who have registered a preliminary enquiry (PE) on 7th June, 2001.

4. Shri Mascarnehas has since then filed a writ petition on 13th June, 2001 in Mumbai High Court in this matter and, therefore,at present the matter is sub- judice.